

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3651-01  
Bill No.: HB 1736  
Subject: Education, Elementary and Secondary; Teachers  
Type: Original  
Date: March 22, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue*	(\$1,784,000)	(\$6,345,920)	(\$6,345,920)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$1,784,000)</b>	<b>(\$6,345,920)</b>	<b>(\$6,345,920)</b>

\* Subject to appropriation

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>School Districts</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Offices from the **Department of Elementary and Secondary Education (DESE)** provided the following assumptions based on indirect information:

a) There 1800 new hires of teachers for special education classes each year (based on 20% turnover, DESE assumed 8800 FTE Special Education teachers);

b) 528 are first time hires;

c) 100 special education teachers are initially hired in districts with a five percent or greater shortage of certified teachers.

**Oversight** assumes that the number of special education teachers eligible for the loan repayment program would be reduced by 20% each year due to turnover. Also, it is assumed that approximately 60% of the special education teachers have student loans. Based on those assumptions, the expenditures under the proposed legislation (subject to appropriation) would be:

### **FY 2003**

528	FTE initially hired in districts	X \$3,000 = \$ 1,584,000
100	FTE initially hired in districts with shortage of certified teachers	X \$2,000 = \$ <u>200,000</u>
		\$ 1,784,000

### **FY 2004**

4224	FTE Special Education Teachers	X \$1,080 = \$ 4,561,920
528	FTE initially hired in districts	X \$3,000 = \$ 1,584,000
100	FTE initially hired in districts with shortage of certified teachers	X \$2,000 = \$ <u>200,000</u>
		\$ 6,345,920

### **FY 2005**

4224	FTE Special Education Teachers	X \$1,080 = \$ 4,561,920
528	FTE initially hired in districts	X \$3,000 = \$ 1,584,000
100	FTE initially hired in districts with shortage of certified teachers	X \$2,000 = \$ <u>200,000</u>
		\$ 6,345,920

ASSUMPTION (continued)

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued by the Department of Elementary and Secondary Education and State Board of Education could require as many as approximately 8 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual costs could be more or less than the \$492 estimated for FY 2003. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2003	FY 2004	FY 2005
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**GENERAL REVENUE**

<u>Cost</u> - Department of Elementary and Secondary Education - Loan Repayment Assistance Program/Hiring Bonuses*	(\$1,784,000)	(\$6,345,920)	(\$6,345,920)
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<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*</b>	<b><u>(\$1,784,000)</u></b>	<b><u>(\$6,345,920)</u></b>	<b><u>(\$6,345,920)</u></b>
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\* Subject to appropriation

<u>FISCAL IMPACT - Local Government</u>	FY 2003	FY 2004	FY 2005
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**SCHOOL DISTRICTS**

<u>Income</u> - State Aid	\$1,784,000	\$6,345,920	\$6,345,920
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<u>Cost</u> - Special Education Teacher Loan Repayment Assistance Program/Hiring Bonuses	<u>(\$1,784,000)</u>	<u>(\$6,345,920)</u>	<u>(\$6,345,920)</u>
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<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.


### DESCRIPTION

This proposed legislation creates a loan repayment assistance program for special education teachers, beginning July 1, 2003. Candidates must be certificated full-time special education teachers who commit to teach for each year for which repayment assistance is requested, up to four years. The repayment amount cannot exceed \$1,000 in principal, plus interest. Teachers receiving repayment assistance who lose their certification, are fired, or quit will lose their pro-rated share of assistance. If a teacher's certification is reinstated, the repayment assistance may be reinstated. The proposal also provides a hiring bonus for full-time special education teachers of \$3,000, with an additional \$2,000 in districts suffering from a 5% shortage of special education teachers.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Office of Secretary of State  
Administrative Rules Division



Mickey Wilson, CPA  
Acting Director  
March 22, 2001